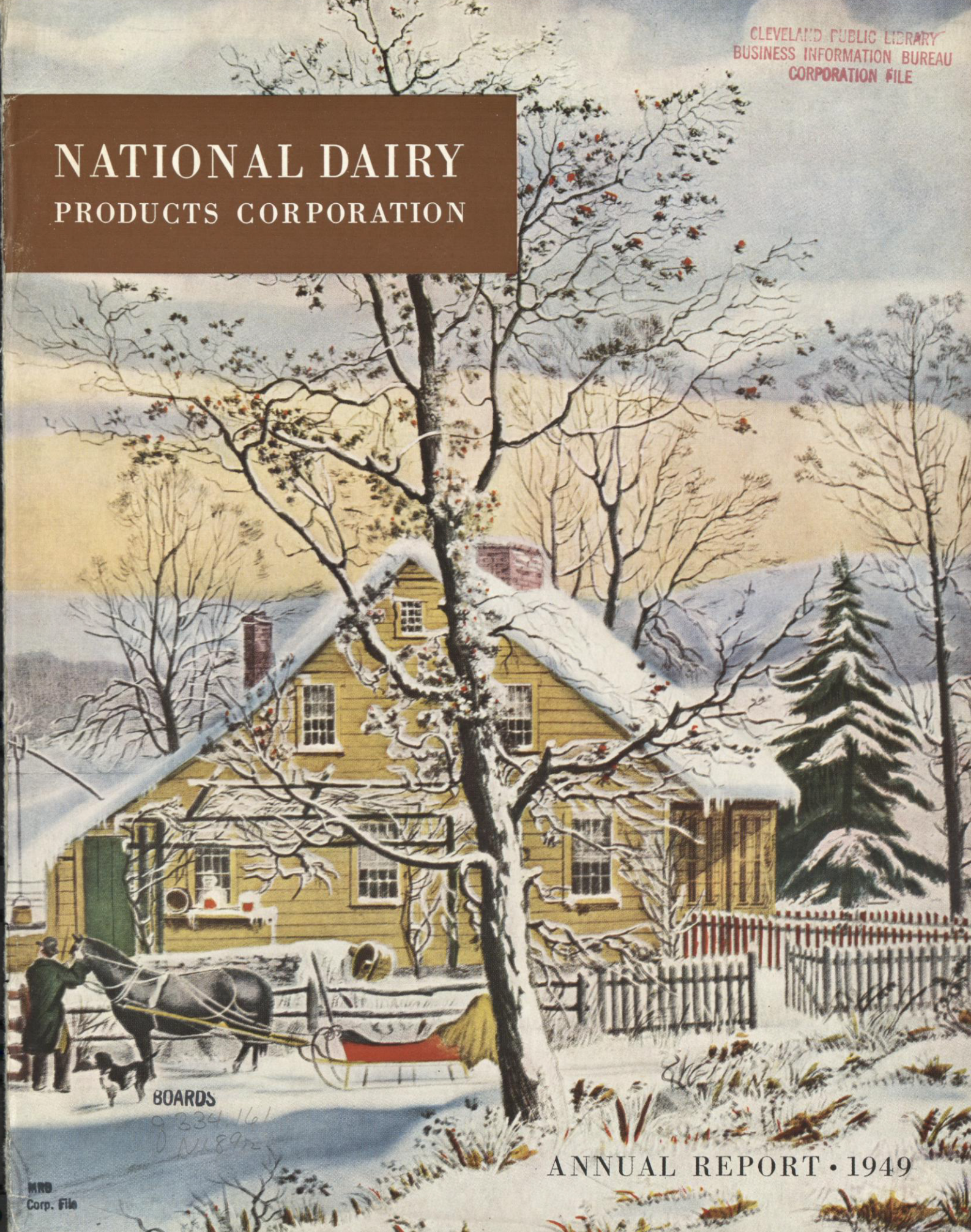


NATIONAL DAIRY PRODUCTS CORPORATION



BOARDS

9 334 161

9 1892

ANNUAL REPORT • 1949



CONSUMER: Dinner preparations occupy Betty G. Lathrop, Berkeley, Calif.



STOCKHOLDERS: The F. W. Millers, retired railway engineer, Cleveland, Ohio.



EMPLOYEE: Ice cream packages are filled by Pauline Smith, Atlanta, Ga.



CONSUMER: Nancy Truesdale, daughter of the Frederick Truesdales, Manchester, N. H.



CONSUMER: Mrs. Charles A. Haulgrave, Richmond, Va., does her week-end shopping.



PRODUCER: Lionel Girard, Simscroft Echo Farm, Simsbury, Conn.



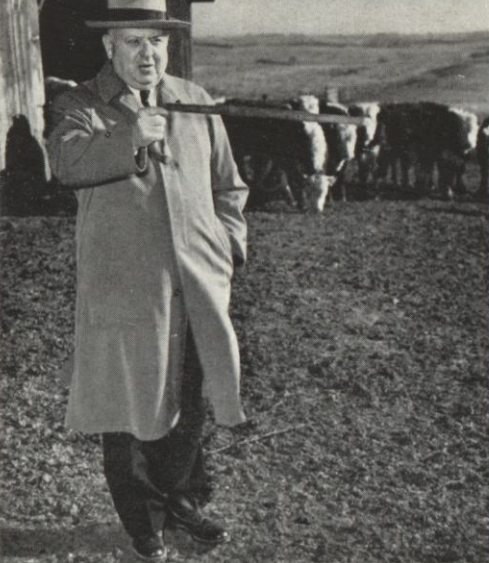
PRODUCERS: Steve Kirk, Jr. (right) and J. W. Standifer, Sulphur, Okla.



STOCKHOLDER: Mrs. Mary B. Kuciejki, housewife, St. Louis, Mo.



EMPLOYEE: Albert G. Saad, Brooklyn, N. Y. in one of our sparkling, sanitary plants.



STOCKHOLDER: John L. Evans, on his modern stock farm, at Emerson, Iowa.



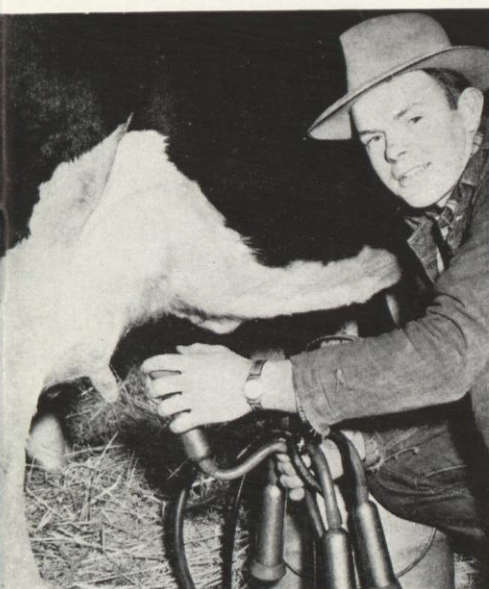
CONSUMERS: Mrs. John J. Cunningham, Jr., and children, Falmouth Foreside, Me.



EMPLOYEE-STOCKHOLDER: Wholesale routeman D. H. Shelton, Nashville, Tenn.



CONSUMER: Shirley Mae France, at the soda fountain, South Somerset, Mass.



PRODUCER: Frederick L. Young, at milking time on his Chehalis, Wash., farm.

National Dairy Means People

This, the 26th Annual Report of National Dairy, is the story of many people working together to provide products and services for millions of other people.

Fundamentally, all business is a record of human endeavor — of the ideas, work, accomplishments and relationships of people. This is particularly true of National Dairy. The foods we sell are produced on hundreds of thousands of individual farms. They are processed and distributed by thousands of men and women. In millions of homes throughout the country they provide essential nourishment and personal enjoyment.

The report which follows is concerned with financial statements, to be sure. But more importantly it is concerned with the results in terms of people — investors, employees, farmers, food dealers, customers and the public generally. How well our Company performs its proper function in relation to each of these groups is the true measure of National Dairy's security and progress.

Klee Van Bommel

President

Review in Brief

OUR OPERATING RECORD

OUR INCOME:

	1949	1948
The sale of our products amounted to	\$897,675,000	\$986,404,000
Our income from other sources was	2,445,000	2,465,000
This gave us a total income of	\$900,120,000	\$988,869,000

OUR COSTS AND EXPENSES:

Milk and other products purchased from farmers and raw materials bought from other suppliers cost us	\$507,872,000	\$627,220,000
To process our products and serve our customers, we paid wages and salaries of	156,888,000	152,574,000
Operating services and supplies, and other miscellaneous costs of doing business totalled	78,271,000	74,342,000
To package our products in bottles, cans, cases, cartons, jars and other containers required	53,756,000	50,908,000
Our direct taxes to help support Federal, state and municipal governments were	32,110,000	23,824,000
Repairs and maintenance to keep our plants functioning efficiently cost	20,789,000	19,825,000
In addition to repairs and maintenance, we provided for depreciation on plant and equipment	14,944,000	12,961,000
We paid as interest to our bondholders	2,231,000	1,857,000
This brought our total costs and expenses to	866,861,000	963,511,000

OUR PROFIT:

This left a profit of 3.7 cents on each \$1 of sales in 1949 and 2.6 cents in 1948 (the equivalent of \$5.26 per share in 1949 and \$4.03 in 1948) or a total of	\$ 33,259,000	\$ 25,358,000
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Which was divided as follows:

Paid to stockholders as dividends at the rate of \$2.20 per share in 1949 and \$1.80 per share in 1948	\$ 13,860,000	\$ 11,306,000
Retained in the business	\$ 19,399,000	\$ 14,052,000

(The statements of Consolidated Profit and Loss and Consolidated Earned Surplus will be found on page 22)

Review in Brief

OUR FINANCIAL POSITION

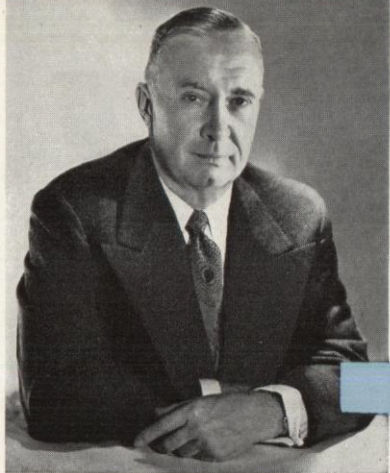
WE OWNED

	<u>1949</u>	<u>1948</u>
Cash and Government bonds	\$ 53,593,000	\$ 45,690,000
Accounts due from customers	32,825,000	36,893,000
Products, materials and supplies	80,124,000	89,712,000
Investments and other assets	10,929,000	11,031,000
Property, plant and equipment (net)	<u>146,132,000</u>	<u>134,316,000</u>
Total Owned	<u>\$323,603,000</u>	<u>\$317,642,000</u>

WE OWED

For materials, services and taxes	\$ 42,477,000	\$ 56,293,000
Long-term debt	80,500,000	81,500,000
Had reserves for prior years' taxes, insurance, etc.	<u>11,018,000</u>	<u>10,320,000</u>
Total Owed	\$133,995,000	\$148,113,000
Reserve for possible future inventory price declines and other contingencies	—0—	15,000,000
OUR NET WORTH, the excess of what we owned over what we owed and reserved	<u>189,608,000</u>	<u>154,529,000</u>
	<u>\$323,603,000</u>	<u>\$317,642,000</u>

(The Consolidated Balance Sheets will be found on pages 20 and 21)



The President's Statement

TO NATIONAL DAIRY STOCKHOLDERS:

The year 1949 was a good one for National Dairy.

Consumers bought more of our products, and, we are glad to say, at lower prices. The farmers, from whom we buy milk and other farm products, continued to enjoy a profitable market for what they produced. Our employees earned good wages. Our stockholders realized an improved return on their investment.

These benefits, flowing to many people, are the best evidence of the success of our operation during 1949. The fundamentals of our business are securely established in four important relationships—with consumers, farmers, our employees and stockholders.

Translated into business terms, this means supplying consumers with products of the highest quality at the lowest possible price consistent with a fair payment to farmers and others who supply us, good wages and favorable working conditions for our employees and an increased return to those who have invested their savings in the Company.

As a Company, we are not content to stand still, or merely to sell what we can for a price. National Dairy has grown and prospered by looking forward, by anticipating the needs of a growing country, by finding ways to fulfill the wants of the public better and at lower prices. The constant aim of your management is to co-ordinate and utilize the Company's extensive resources and facilities to that end.

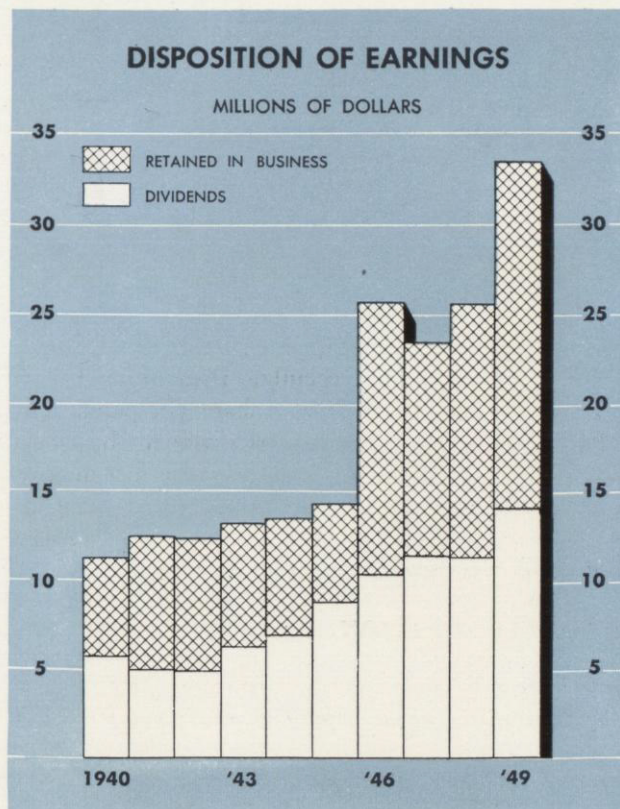
EARNINGS AND DIVIDENDS UP

National Dairy's dollar sales in 1949 were \$897,675,000 and \$986,404,000 in the preceding year. This decline in dollar sales was due entirely to price reductions we were able to make to consumers. The aggregate volume of products sold increased. We regard this

as a healthy trend, enabling us to serve more people.

Continued improvement in operating efficiency, coupled with lower costs, resulted in an increase in earnings from \$4.03 a share in 1948 to \$5.26 a share in 1949 on approximately the same number of shares outstanding. This represents a profit of 3.7 cents per dollar of sales, compared with 2.6 cents in 1948.

We have long maintained that our low profit margins do not yet provide an adequate return for the

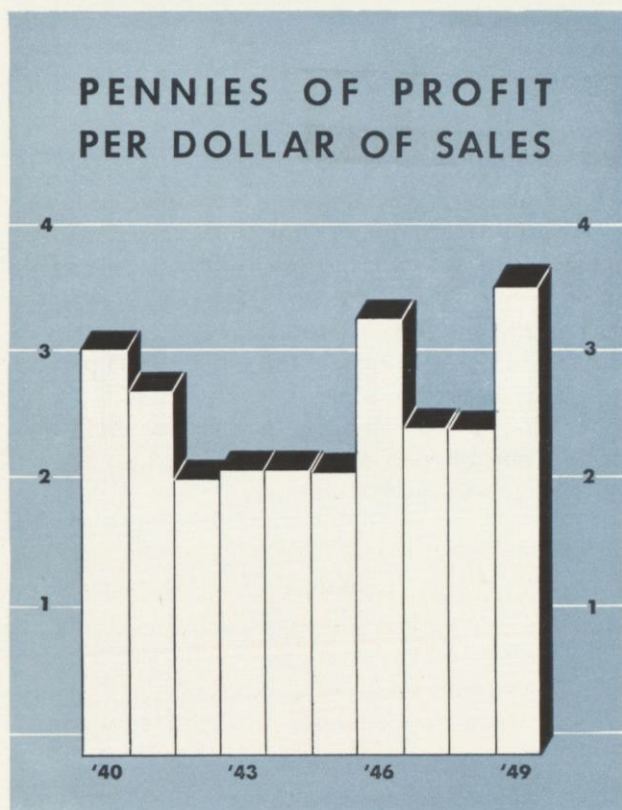


services rendered. We hope that expanding volume and the efficiency resulting from our building and improvement program will enable us to hold our selling prices down and permit us to increase profit margins.

The increase in earnings and the Company's improved cash position enabled the Directors to increase the quarterly dividend rate during the year from 45

000, up \$7,903,000 from the preceding year. In addition the Company also had \$22,150,000 in U. S. Treasury Savings Notes to pay the estimated 1949 Federal income tax.

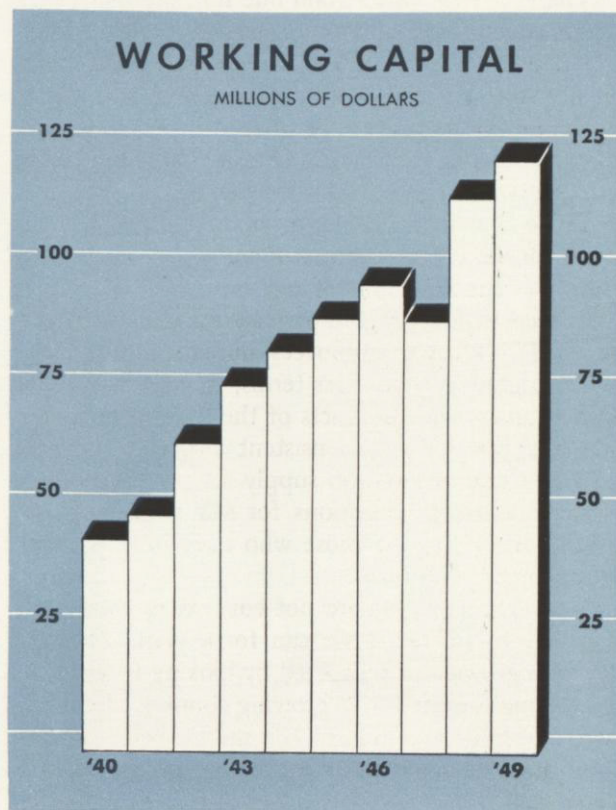
Inventories, carried at the lower of cost or market, were down at the end of 1949 to \$80,124,000 from \$89,712,000 at the end of 1948. The \$15,000,000 reserve for possible future inventory price declines and other contingencies which had been carried since 1946 was transferred to earned surplus. With this addition, net worth on December 31, 1949 was \$189,608,000 compared with \$154,529,000 at the end of 1948. Funded debt was reduced during 1949 by \$1,000,000 to \$80,500,000. The Company had no outstanding bank loans.



to 50 cents a share. This, together with an extra dividend of 30 cents paid in December, 1949, brought total dividends for the year to \$2.20 a share, compared with \$1.80 in 1948. This is the highest dividend the Company has paid in seventeen years. For the first quarter of 1950, the Directors declared a dividend at the increased rate of 60 cents a share payable on March 10 to stockholders of record on February 17.

FINANCIAL POSITION STRONG

The year 1949 also saw a further improvement in the Company's strong financial position. Working capital increased by \$8,063,000, or from \$116,002,000 in 1948 to \$124,065,000 in 1949. Cash and Government securities on hand at the close of 1949 totalled \$53,593,-



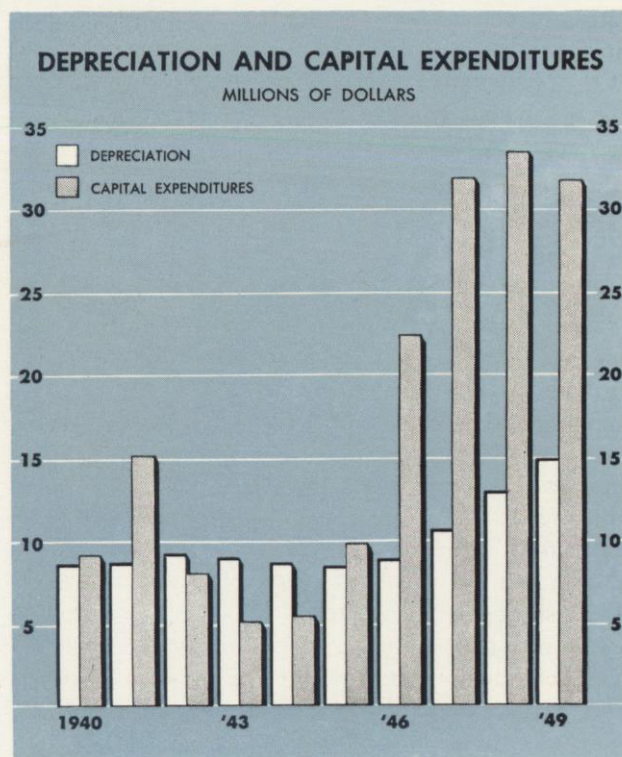
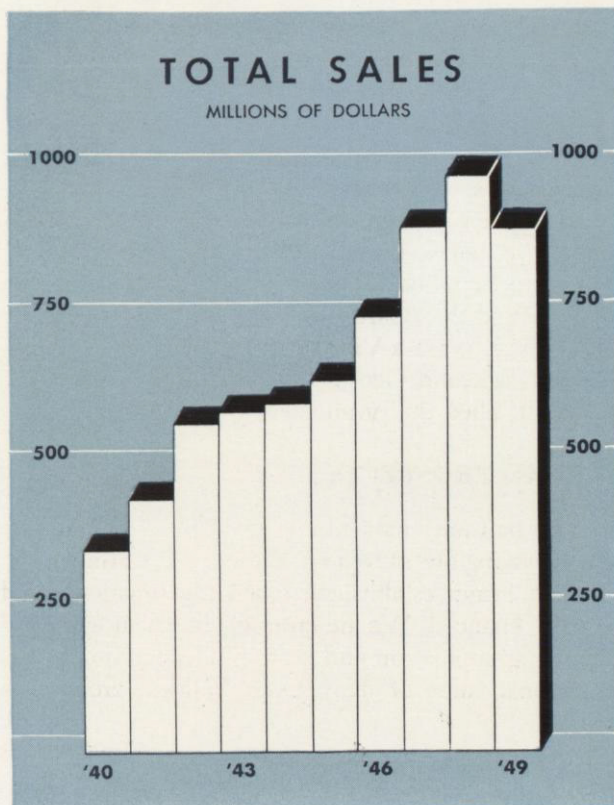
CAPITAL EXPENDITURES

Capital expenditures in 1949 for new plants, rehabilitation of existing plants, new machinery, electric ice cream cabinets and automotive equipment amounted to \$32,000,000. This brings our total outlay for replacements and additions since 1945 to \$120,000,000. These capital outlays have greatly added to our effi-

ciency and have helped us in some instances to serve wider and more profitable markets. With our expanding business, and because several new plants authorized in 1949 will be paid for largely in 1950, we will also spend approximately \$32,000,000 for this purpose in 1950. It is expected that this sum will be provided for in part by normal charges to depreciation and in part by earnings retained in the business.

Annual depreciation is now about double pre-war depreciation due principally to the higher cost of new equipment purchased in recent years.

Among our recent plants is the new cheese plant of our Kraft Company on Sacramento Boulevard, Chicago, comprising nearly a half-million square feet. This is the largest plant of its kind in the world. In Garland, Texas, is another new plant, embracing one-quarter million square feet under one roof, from which Kraft serves its great Southwest markets. This plant alone is equipped to produce, in a three-shift, 24-hour operation, nearly a million and a half units of Kraft products daily. Both of these properties were purchased from the War Assets Administration, remodeled to serve our needs, and placed in operation last year. Kraft's new research



laboratory at Glenview, Illinois, was also opened in 1949, and consolidates research previously conducted in sixteen locations. The pilot plant facilities of National Dairy at Oakdale, Long Island and Kraft's at Glenview make it possible to determine the commercial validity of research findings with certainty that successful results will be obtained when these operations are transferred to full scale production lines.

In Omaha, a new, modern ice cream plant, erected in 1949, for our Harding Company was placed in operation early in 1950. In Schenectady, N. Y., a new administration building for the wide operations of our General Ice Cream Corporation was occupied in 1949. Meanwhile, contracts have been let for one of the most modern milk plants in the world to be built in Philadelphia, and for a new building to house our ice cream operations in Milwaukee. Other building projects which we have been planning will be undertaken as conditions warrant.

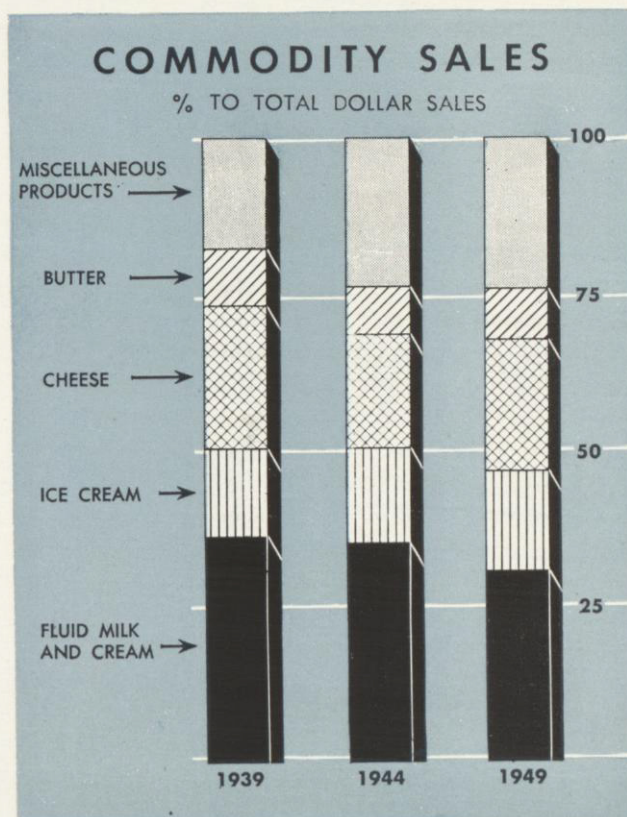
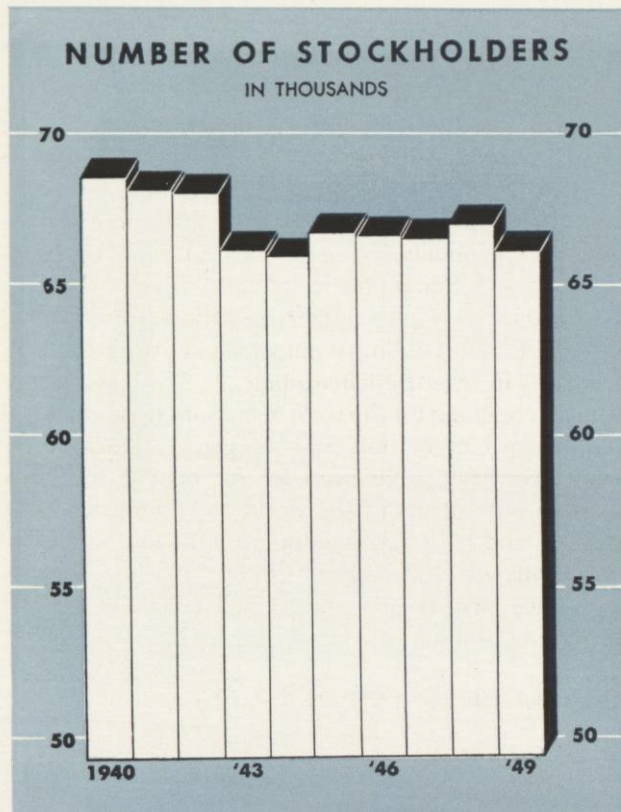
MANAGEMENT AND PERSONNEL

The operations of a business enterprise of the scope of National Dairy are so complex and require such diverse skills that for flexibility and swifter implemen-

tation of policies we have an Executive Management Staff. This staff consists of the principal key executives at the headquarters of the Company. Each member of this group has had long years of specialized training and experience in his field. Under the direction of this Executive Management Staff, co-ordination and teamwork among our operating companies, which in turn are headed by a group of most competent and experienced men, have been developed to a very high degree.

To assure continuity of competent management for the future, as well as in the present, we are continuing to place increasing emphasis on the selection, training and succession of key management personnel.

In all, National Dairy has more than 43,000 employees. They comprise a group which ranges from the most technically trained men and women to unskilled workers. To their loyalty, effort and co-operation is due an important share of the credit for the Company's successful operating record. In all of our divisions these employees are neighbors of the people who buy the products they process and distribute. We are proud of their reputation for being friendly and efficient on the job and good citizens off the job.



We regret the resignation of Henderson Supplee, Jr. as a director whose increasing responsibilities as a principal executive of another leading industrial organization required his entire time. We also regret the resignations as directors of F. J. Andre and B. M. Lide, Jr. due to their leaving as heads of operating companies. Honorable James Bruce, former Ambassador to the Argentine Republic, who previously served as a director, re-joined the Board following Mr. Supplee's resignation. R. J. Wise, a Vice-President was elected to Mr. Andre's place and Geo. H. Rutherford, another Vice-President, filled the vacancy left by Mr. Lide.

FUTURE PROSPECTS

The half-way mark of the century finds National Dairy looking ahead to a continuing successful future. We are firmly established, efficiently organized and soundly financed. We are entering an era in which an increasing population and better understanding of the nutritional value of dairy foods indicate broadening markets for our products. Through research we are learning how to serve those markets by better methods and with new and improved products.

The level of national income remains high. So does consumer acceptance of our products, as indicated by the continuing increase in unit sales. Costs have passed their peak, we hope, and seem to be slowly seeking lower levels. Competitively, the Company has never been in better shape. Efficiency is already high, and is being further improved by new plants and equipment. It is our intention to take full advantage of every sales opportunity, while continuing to stress economy in all of our operations.

Implicit, as always, in our program is the principle of operation in the interest of all those who buy, sell, produce, process and finance our products. In the future, as in the past, National Dairy is dedicated to the wider use and better understanding of dairy products as human food . . . as a base for the development

of new products and materials . . . as a source of health and enduring progress on the farms and in the cities and towns of America.

Ree Van Bommel

President

By order of the
Board of Directors

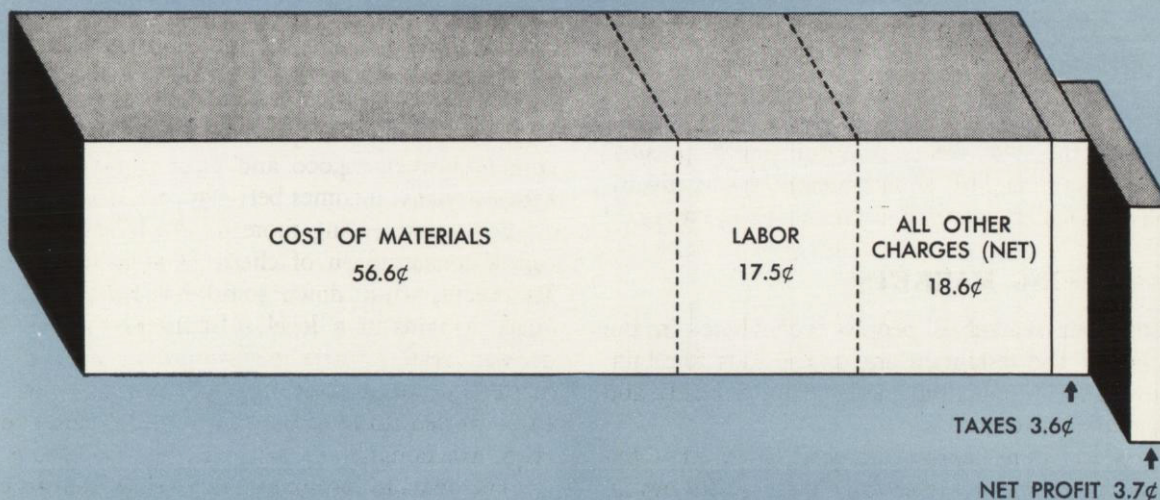
John W. M. Summey

Chairman of the Board

New York, N. Y.

March 2, 1950.

HOW THE SALES DOLLAR WAS DIVIDED IN 1949





Consumers

BOUGHT \$897,675,000

In 1949 sales of our domestic companies totalled \$897,675,000, the second largest dollar volume in the Company's history. We actually sold more units to more people, however, than in 1948 when our dollar sales reached the record total of \$986,404,000. The lesser number of dollars received in 1949 was entirely due to price reductions made to consumers as a result of lower costs.

The yearly increase in total units of our products sold marks the resumption of a trend which has prevailed, with only occasional interruptions, since the founding of our Company. Through the years we have processed more individual products and sold them to more people. Our average annual volume of sales in the post-war years has been more than double those of the years immediately preceding the war.

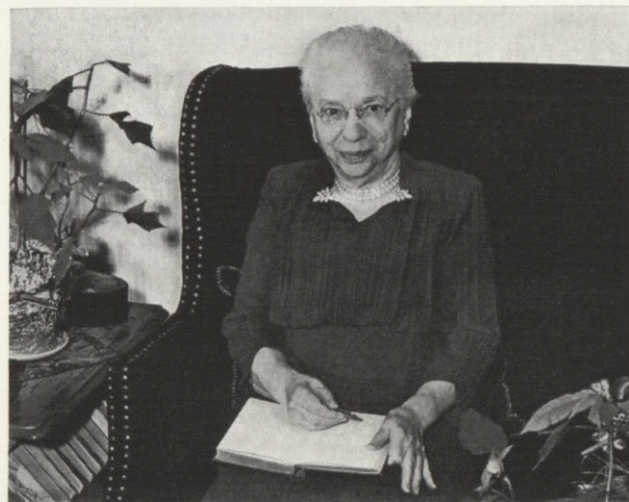
Many things have contributed to this increasing demand for our products. Population growth and greater purchasing power are among them, of course. Another important factor has been our insistence on the highest quality, the best service and the lowest possible price to consumers. Still another reason is the diversification of products, which now total over 150 items.

OUR GROWING MARKETS

Today our market is people everywhere—in the home and in the restaurant and at the soda fountain, on farms and in industrial plants. It is a steady and an expanding market.

There are more people each year. In the last ten years alone the population of the United States has increased by 19 million. In 1940 the Federal Census listed 132 million; it is estimated that this year's Census will show at least 151 million. There are 8 million more homes in the United States today, all requiring the kind of products we sell.

Purchasing power is greater. There are 15 million more jobs today than there were 10 years ago, and



Miss Nettie Levi, of Philadelphia, Pa., has been buying milk from one of our companies for more than 78 years.

nearly five times as many families have incomes of \$5,000 or more; nearly four times as many have incomes between \$4,000 and \$5,000; and nearly three times as many, incomes between \$3,000 and \$4,000.

People are eating more of the foods we sell. Per capita consumption of cheese is at an all-time high. Ice cream, while down somewhat from the peak of 1946, remains at a level substantially above that of pre-war years. Butter consumption, after declining rapidly due to wartime shortages and high production costs, turned upward again as the price came down in 1949. Mayonnaise and salad dressing volume is up.

The demand for our animal feeds is increasing with our new easy-to-use line of packages developed by our Consolidated Products Company. To feed our growing population, farmers are raising more live stock, and they are buying more of our animal feeds to do it faster and at lower cost.

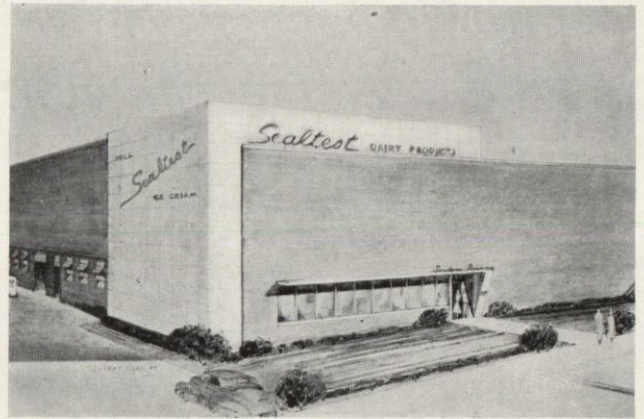
To serve these growing markets, National Dairy is steadily improving its products and its efficiency in

processing and distributing them. In a number of cities new plants have been opened or are being built. Throughout our entire operations new trucks, processing machinery and other types of equipment embodying the latest and most practical improvements are regularly being added as the need arises. Meanwhile, new packages and containers are adding to manufacturing efficiency and consumer appeal.

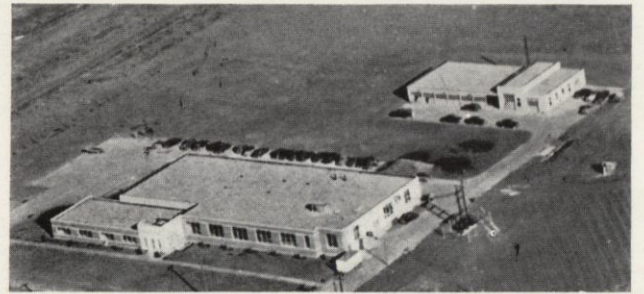
Our products must conform to the highest standards of nutritive value; they must also taste and look good. To achieve this end we conduct continual laboratory and field testing to maintain a high level of quality, purity and flavor.

In our model kitchens, staffed with home economists, appetite-appealing dishes are originated and copies of recipes by the millions are distributed.

Our home economists also prepare basic food literature, and in co-operation with women's organizations, schools, churches and other consumer groups, present films, lectures and demonstrations to spread the story of our products, their nutrition and uniform goodness. In addition, they work closely with public agencies and colleges devoted to health and food problems.



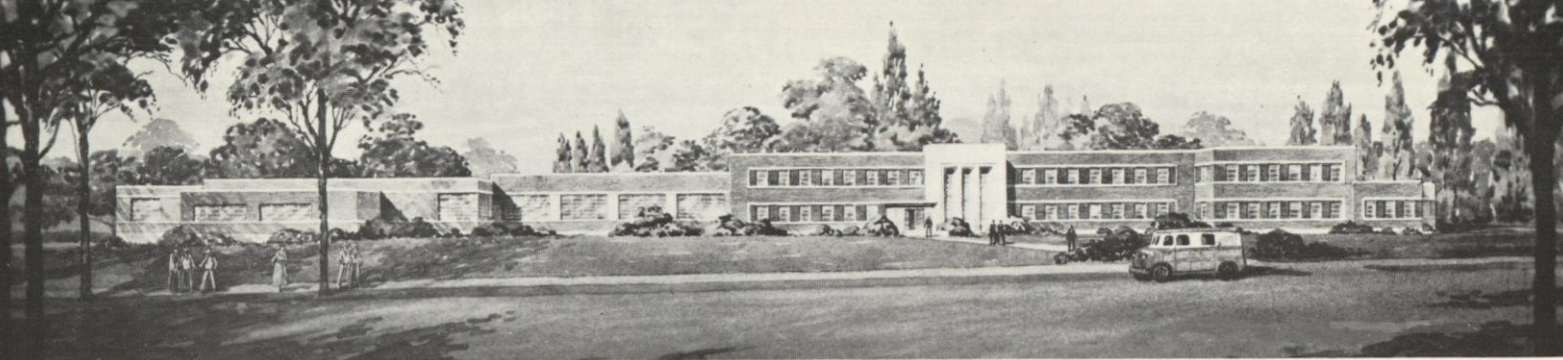
Southern Dairies will serve Winston-Salem, N.C., from this plant.



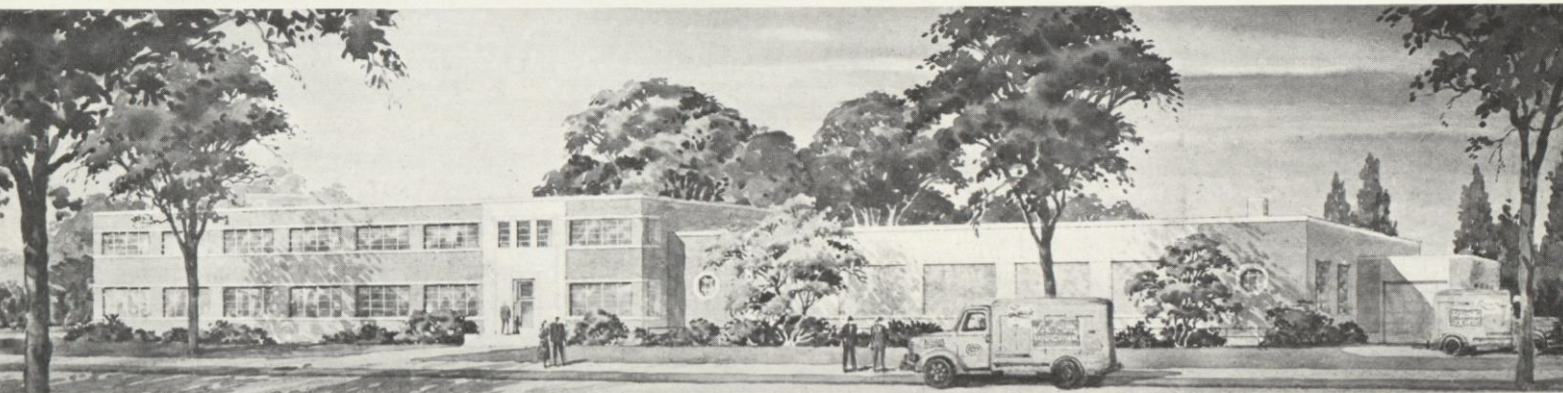
Air-view of our Harding Company's new plant in Omaha.

A familiar scene along our Sealtest milk routes in hundreds of cities and towns. Employee Elmer Rodgers greets Miss Helen Smith, housekeeper for the Ben Zeigler family in Pittsburgh, as he makes his regular delivery to the Zeigler home.





New milk plant of our Supplee-Wills-Jones Company in Philadelphia will have a daily capacity of 200,000 quarts.



Our Luick Ice Cream Company broke ground for this up-to-date ice cream plant in Milwaukee in 1949.



From this new plant, recently opened in Garland, Texas, Kraft distributes products throughout the Southwest.



Our Kraft Company's new Sacramento Boulevard plant in Chicago, put into operation in 1949, is the largest cheese plant in the world.



Farmers

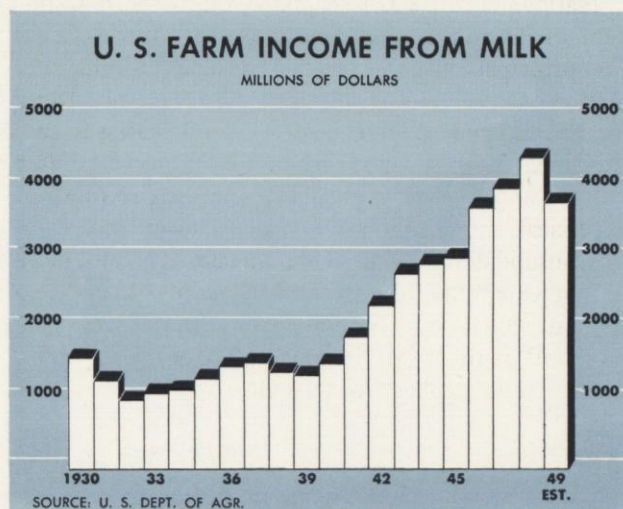
WERE PAID \$507,872,000

When our Country was young, most people raised their own food. Today four out of every five families buy the food they consume. While most of it is produced on the farm, it must be processed by companies like ours, and distributed to convenient places.

The tie between National Dairy and the farmers from whom it buys its raw products is a close one. We purchase milk and other produce from hundreds of thousands of farmers. They are small, independent business enterprises in agriculture, owned and operated by the farmer and his family. Milk is an important part of their daily life. Generally, it is their largest single source of cash income. Last year National Dairy paid for milk and other farm products such as fruit, vegetable oils, eggs, etc., \$507,872,000. This was the third largest sum of money ever paid out for farm products in the Company's history, having been exceeded only in 1947 and 1948.



Company field man Harris Lyon (right) discusses ladino clover with Martin Schweller, on the latter's Springboro, Pa., farm.



MORE EFFICIENT FARMING

But the tie between National Dairy and the farmer goes much deeper than that of a mere buyer and seller relationship. In many cases, we have been buying milk from the same farm families for generations. Because of our wide diversification, we have been able to maintain a market for their products when production exceeded local demand as is the case today. Co-operating with the farmer, the county agent, colleges of agriculture and experimental stations, we maintain a field staff to help improve herds, and raise the quality of the farm products we buy. We also encourage efficient farm management, and use of modern equipment and live stock feeds. This work is in the interest of both the farm family and the consumer. Greater efficiency in farm production makes possible lower consumer prices as well as profitable farm operation.

Every day our field men, including trained veterinarians, dairymen and other agricultural specialists, are out on the farms working with our producers. Through

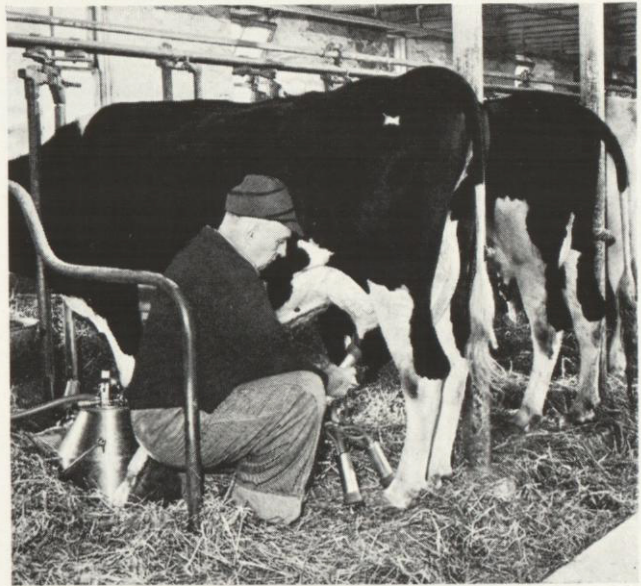
herd improvement they seek production of better milk at less cost. They encourage programs of artificial breeding to increase the productivity of dairy cows, promote clean handling and health of cattle, aid in improving pasturage and advise on other problems.

Much of National Dairy's effort is directed to encouraging and helping young men and women to become good farmers. We co-operate extensively with the 4-H Clubs, the Future Farmers of America and educational groups. Awards are given to boys and girls for efficient milk production, cattle raising and the care and handling of milk.

National Dairy has also pioneered in the development of improved animal feeds for use on the farm. The principal output of our Consolidated Products division is calf, poultry and hog feed, and our Kraft Foods Company also does a substantial business in live stock feed. Some of these products have brought about great advances in feeding, enabling farmers to produce more meat, more economically, in a shorter time.

Consolidated Products Co., operates on a profitable basis an experimental farm near Danville, Ill., and one in Iowa, which serve both as testing grounds for new feeds and as practical, demonstration farms to which farmers come regularly for new ideas.

National Dairy's work with farmers has been carried on for many years. It is steadily increasing in scope and in results that are bringing benefits to the farmer, the consumer and the stockholder.



Wm. J. Leonard, of Pewaukee, Wis., one of many second generation farmers whose families have sold us milk for half a century.

Nine vocational agriculture students from Forreston, Ill., High School learn about a hog feeding program on the Baileyville farm of Glen Kilker. The boys hold nine of a litter of pigs farrowed by a sow fed on our scientifically-developed hog feed.





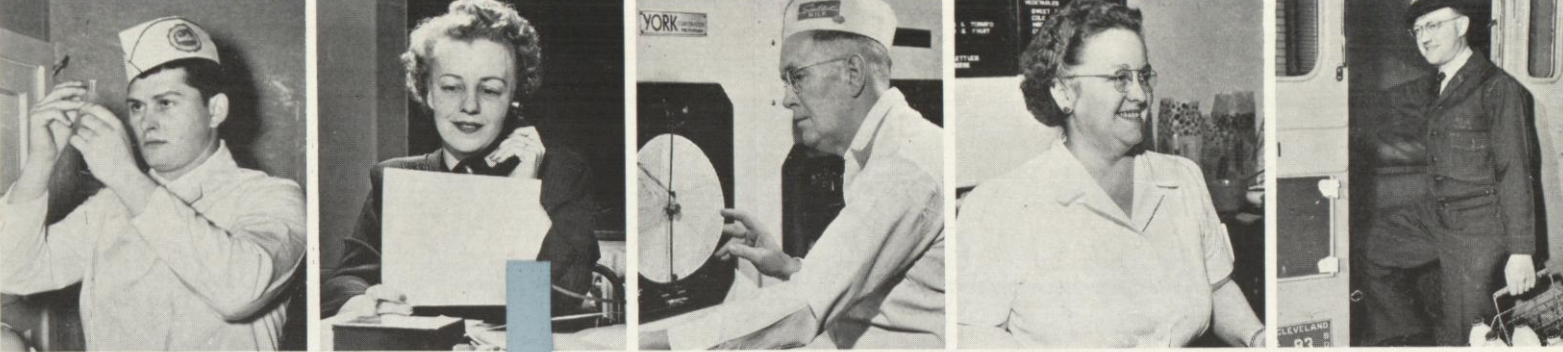
A 4-H Club member for four years, Junior Jumper, 14, of Rienzi, Miss., is an active Junior Dairyman, and one of thousands of boys and girls we are encouraging to become good farmers.



The Ray Lardys of Richmond, Minn., are typical of the many farm families throughout the United States who supply us with milk. Their herd averaged 400 pounds of butterfat last year.



Hundreds of farm audiences annually attend meetings such as this one, at which M. A. Duino, our Erie, Pa., plant superintendent, discusses quality milk production standards. At many of these meetings special motion pictures on modern farming methods, produced by National Dairy, are shown. Farmers, consumers and the industry all benefit from production of high quality milk at lower cost.



Employees

WERE PAID \$156,888,000

To procure, process, develop and distribute the vast quantities of food and other products that National Dairy sold in 1949 required the work of 43,615 men and women. They live and work in many communities from the East to the Far West, from New England to the Deep South.

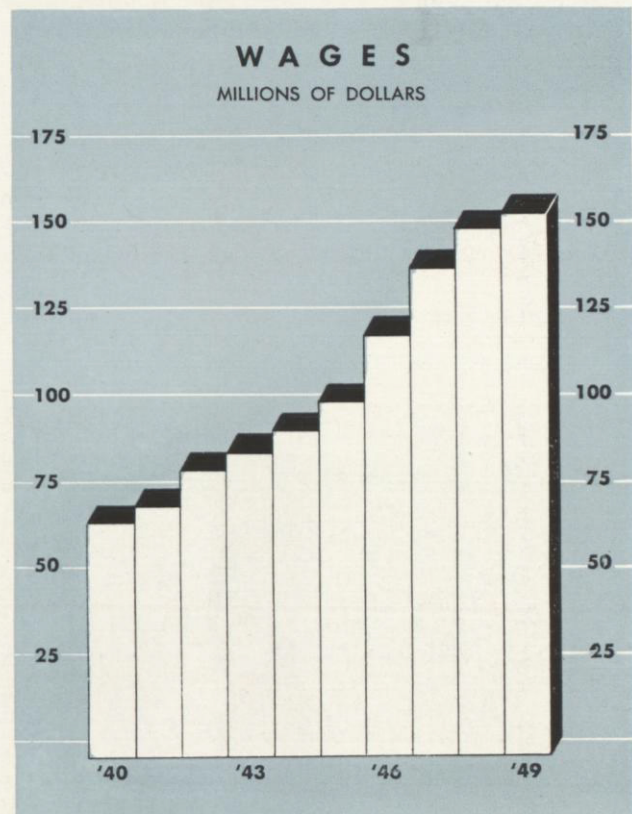
Many, whose duties take them among the public daily, are personally known by those they serve. Our courteous, accommodating Sealtest, Kraft, Breyer, Breakstone, Deerfoot, Consolidated, Sugar Creek, and Ovson salesmen and delivery men, for instance, count hundreds of thousands of friends along their routes. Our field men are "Jim" and "Harry" and "Bill" to the farmers from whom we buy farm products and to whom we also sell livestock and poultry feeds. In few other industries is the relationship so close between a large company and those with whom it does business.

COMPANY'S HIGHEST PAYROLL

More than 7,600 of our employees have been with us for at least 20 years; nearly one-third for 10 years, or more. A majority has been working for National Dairy for 5 years or more.

We believe in good wages for our employees. In 1949, we paid our employees a total of \$156,888,000, the highest payroll in our history. In addition, we made substantial payments for the benefit of our employees on account of vacations, Social Security, life insurance, accident and sickness insurance (in the form of compensation for accident and sickness both on the job and occurring away from the job). Next to payment to farm product suppliers, wages to employees have always been the highest single item in National Dairy's cost of serving its customers.

We believe in and provide safe, pleasant working conditions and opportunities for training and advancement. Practically every one of our present management



team came up from the ranks.

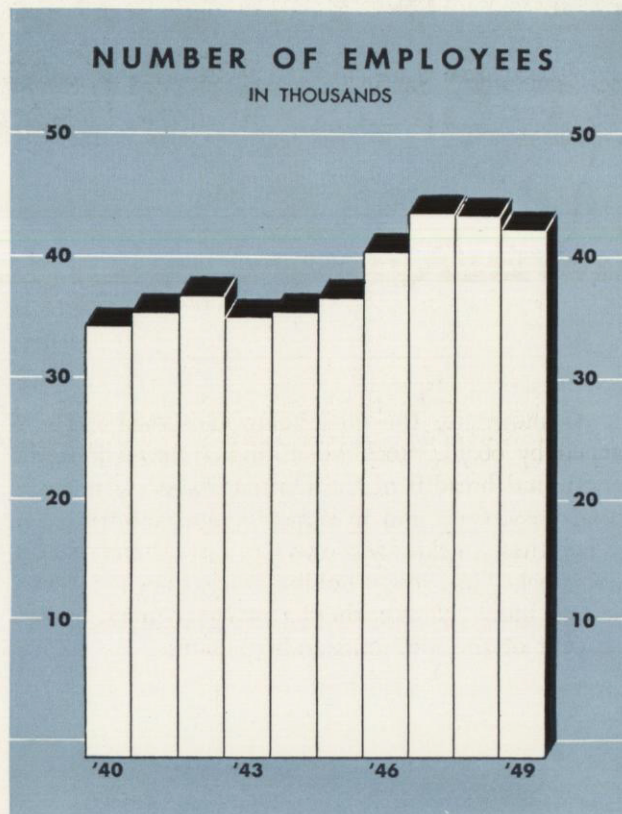
Employee cafeterias are maintained in many of our plants, credit unions have been established, recreational activities are sponsored, and health and safety are protected through physical examinations, vacations, sick leave and safety programs.

The Company's program of low cost insurance for employees on life and against accident and sickness has been in force for nearly 20 years. In 1949, this program was revised to provide substantially increased benefits to employees. Under this revised plan, the worker with average weekly earnings of \$60, for exam-

ple, gained an additional reduction in cost of approximately 20 per cent with a 40 per cent increase in benefits. The plan is voluntary, with the Company paying a substantial part of the cost. More than 85 per cent of our employees are now participating, with total life coverage amounting to \$140,000,000, and weekly accident and sickness coverage at \$1,250,000.

Our employees enjoy a high degree of safety on the job. Employee injury accidents have decreased steadily since the National Dairy Safety Program was started in 1930, and reached a new low in 1949. More than 96 per cent of our employees went through the entire year without a single lost-time injury. The National Dairy 1949 Employee — Injury Accident — Frequency rate is approximately 30 per cent better than the rate for the industry as a whole.

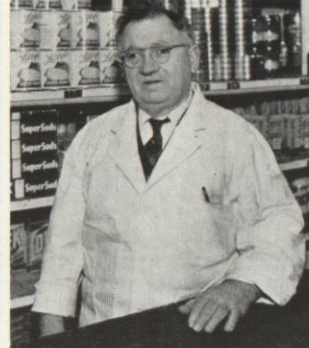
Traffic accidents have also been reduced more than 60 per cent in the 18 years that this phase of the safety program has been in operation. A total of 10,909 National Dairy drivers went through 1949 without a chargeable accident. Of this number, nearly half have safe driving records of 5 years or more, and 1,458 have accident-free records for the entire 18 years. Our present vehicle accident frequency rate is approximately 40 per cent better than that of the industry as a whole.



Mary L. Old, one of the many young women in our food plants, helps bottle chocolate milk for Baltimore youngsters.



Chester Cousins has been delivering milk to Mrs. A. W. Behm, one of our Detroit customers, for 33 years.



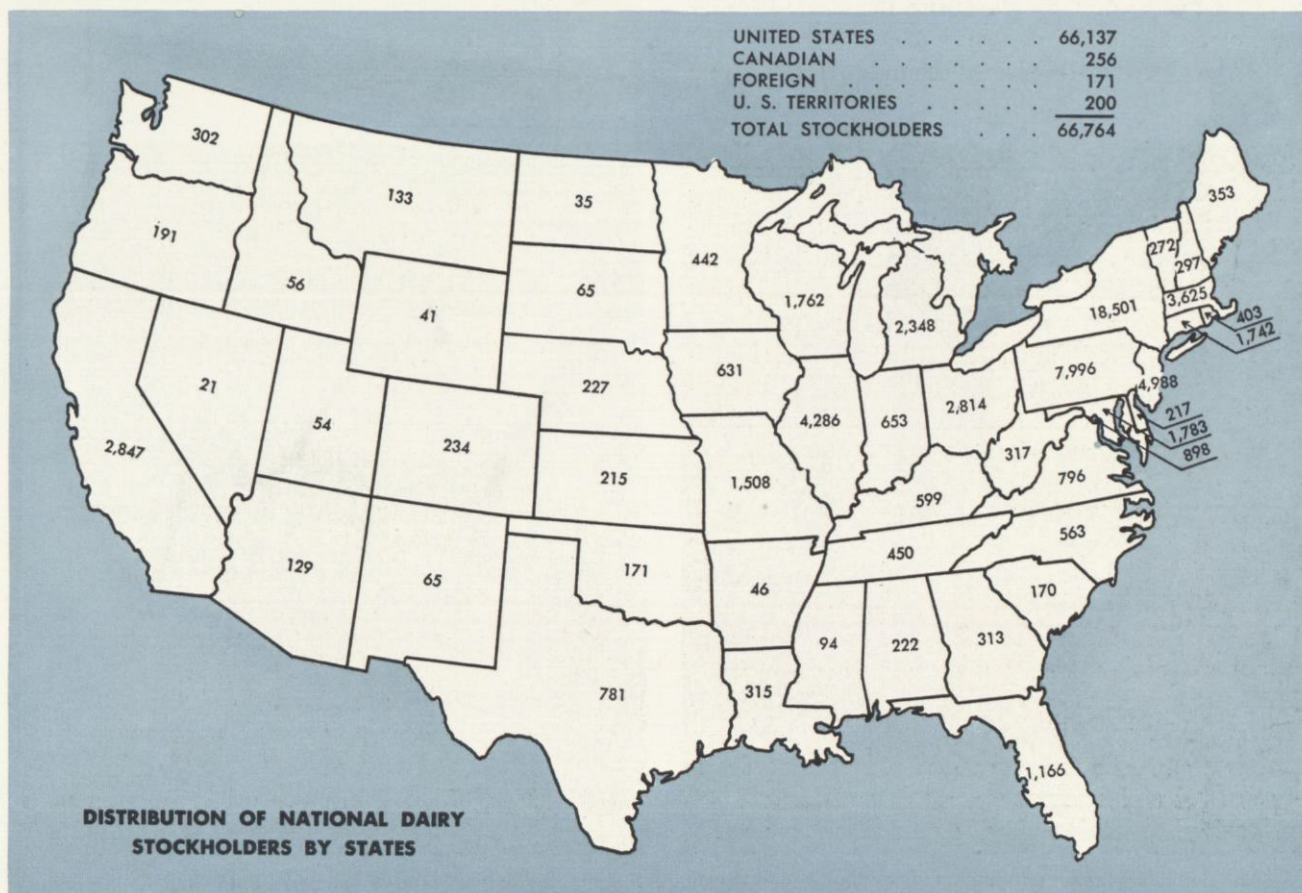
Investors

WERE PAID \$13,860,000

As shown on the map below, National Dairy is owned by 66,764 stockholders living throughout the length and breadth of the United States, in its territorial possessions and in some foreign countries. Together, these stockholders own 6,313,212 shares of common stock. The average holding is less than 100 shares, and no individual stockholder owns as much as two per cent of the total outstanding shares.



Stockholder Charles Taylor of Summit, N.J., and family.



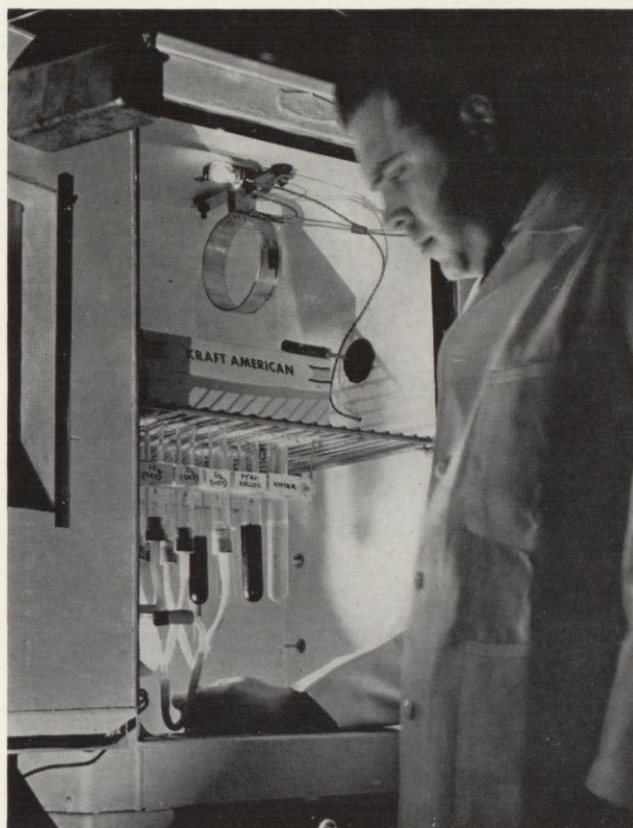
Research and Development

National Dairy Laboratories have been in operation for twenty-one years, during the last two of which they have been located at Oakdale, Long Island. Obviously research is a word of broad meaning at National Dairy. It describes the free, unhampered quest of our scientists for greater basic knowledge of food and its nutritional values. It includes the development of new products and the improvement of existing ones. It seeks greater utilization of the by-products of food processing. It extends to studies of packaging, equipment and processing methods with a view to increased efficiency and economy.

This work has contributed to a more wholesome diet and lower food prices for the consumer, new markets for the farmer's produce, and profitable utilization of vast quantities of formerly discarded skim milk and whey. Still greater benefits are promised for the future as a result of more intensive research activity.

The principal centers for National Dairy's research program are the National Dairy Research Laboratories at Oakdale, L. I., and the Kraft Foods Company Research Laboratories at Glenview, Illinois. Both completed less than two years ago, they provide the most modern facilities and equipment available for fundamental as well as practical food research. Staffed by more than 250 scientists and technicians, a total of 78 separate laboratories are operated at the two locations.

In addition, the Company contributes to The Nutrition Foundation, Inc., which provides grants to universities and medical centers to finance fundamental research in the science of nutrition.



Package research includes study of the effect of varying atmospheric conditions on different types of containers.

Kraft Foods Company Research Laboratories building at Glenview, Ill., is one of two great National Dairy research centers.

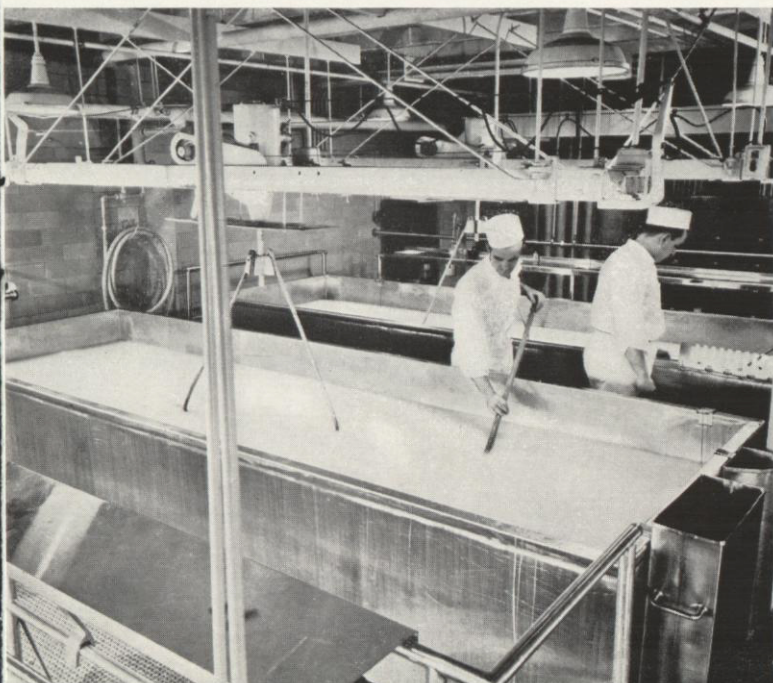




Fermentation tests under way in the bacteriological department of the National Dairy Research Laboratories at Oakdale, L. I.

New formulas and production techniques are tested in small pilot plants before being adopted for full-scale commercial production.

Moisture determinations on dried milk and dried whey products being made with the use of a scientific Fischer moisture tester.



NATIONAL DAIRY PRODUCTS CORPORATION AND DOMESTIC SUBSIDIARY COMPANIES

Consolidated Balance Sheets

ASSETS	December 31	
	1949	1948
CURRENT ASSETS:		
Cash	\$ 45,649,425	\$ 39,986,989
U. S. Government securities	7,943,146	5,703,309
Notes and accounts receivable, less reserve	32,825,139	36,892,995
Inventories, lower of average cost or market—		
Products and materials	70,204,095	77,267,492
Supplies	9,920,135	12,444,196
Total Current Assets	<u>\$166,541,940</u>	<u>\$172,294,981</u>
INVESTMENTS AND OTHER ASSETS:		
Foreign subsidiaries—		
Canadian	\$ 5,692,438	\$ 6,045,558
English, Australian and Argentine	3,944,717	3,953,451
Continental European	1	1
	<u>\$ 9,637,156</u>	<u>\$ 9,999,010</u>
Less—Reserve for investments	3,503,935	3,503,935
	<u>\$ 6,133,221</u>	<u>\$ 6,495,075</u>
Domestic subsidiaries, not consolidated	12,472	13,252
Miscellaneous investments, deposits and receivables, less reserve	2,568,028	2,333,893
	<u>\$ 8,713,721</u>	<u>\$ 8,842,220</u>
PROPERTY, PLANT AND EQUIPMENT (Stated at cost or, as to certain properties, at sound values as appraised as of dates of acquisition, less certain adjustments):		
Land	\$ 13,107,501	\$ 13,216,605
Buildings, machinery and equipment	222,387,706	203,351,382
	<u>\$235,495,207</u>	<u>\$216,567,987</u>
Less—Reserve for depreciation	89,363,425	82,252,328
	<u>\$146,131,782</u>	<u>\$134,315,659</u>
PREPAID AND DEFERRED ITEMS	<u>\$ 2,215,903</u>	<u>\$ 2,188,810</u>
GOODWILL	<u>\$ 1</u>	<u>\$ 1</u>
	<u>\$323,603,347</u>	<u>\$317,641,671</u>

(See Notes to Consolidated Financial Statements, page 23)

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC SUBSIDIARY COMPANIES

Consolidated Balance Sheets

LIABILITIES	December 31	
	1949	1948
CURRENT LIABILITIES:		
Accounts payable	\$ 31,474,228	\$ 31,254,663
Accrued liabilities	11,003,021	8,838,441
Provision for Federal taxes on income	22,150,000	16,200,000
Less—U. S. Treasury Savings Notes, Series D	(22,150,000)	None
<i>Total Current Liabilities</i>	<u>\$ 42,477,249</u>	<u>\$ 56,293,104</u>
LONG-TERM DEBT:		
2¾% Debentures due 1970 (Minimum annual sinking fund requirements: 1946-1950—\$500,000 principal amount; 1951-1955—\$1,000,000; 1956- 1969—\$1,500,000)	\$ 47,500,000	\$ 48,500,000
3% Debentures due 1970 (Minimum annual sinking fund requirements: 1950-1954—\$600,000 principal amount; 1955-1959—\$900,000; 1960- 1969—\$1,200,000)	30,000,000	30,000,000
3½% Notes (Due serially in Canadian funds \$250,000 on December 1, each year 1951-1962)	3,000,000	3,000,000
	<u>\$ 80,500,000</u>	<u>\$ 81,500,000</u>
MINORITY INTEREST IN SUBSIDIARIES	\$ 327,067	\$ 319,008
RESERVES:		
Possible future inventory price declines and other contingencies	\$ None	\$ 15,000,000
Prior years' Federal and state taxes	9,090,039	8,722,362
Insurance and other	1,600,511	1,278,301
	<u>\$ 10,690,550</u>	<u>\$ 25,000,663</u>
CAPITAL STOCK AND EARNED SURPLUS:		
Common stock, authorized, without par value, 8,000,000 shares		
Issued and outstanding at stated value—		
6,313,212 shares (1948—6,283,587 shares)	\$ 52,585,597	\$ 51,904,703
Earned surplus, per statement attached	137,022,884	102,624,193
	<u>\$189,608,481</u>	<u>\$154,528,896</u>
	<u>\$323,603,347</u>	<u>\$317,641,671</u>

(See Notes to Consolidated Financial Statements, page 23)

**NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC SUBSIDIARY COMPANIES**

Statements of Consolidated Profit and Loss and Earned Surplus

CONSOLIDATED PROFIT AND LOSS

	Year Ended December 31	
	1949	1948
INCOME:		
Net sales	\$897,675,545	\$986,403,723
Other income	2,444,793	2,465,639
Total	<u>\$900,120,338</u>	<u>\$988,869,362</u>
INCOME DEDUCTIONS:		
Cost of products	\$668,050,970	\$779,298,141
Delivery expense	95,186,602	94,001,117
Selling expense	48,945,469	46,548,403
General and administrative expense	28,728,922	26,372,696
Miscellaneous charges (credits)—net	1,568,256	(766,972)
Interest on long-term debt	2,231,266	1,857,431
Provision for Federal taxes on income	22,150,000	16,200,000
Total	<u>\$866,861,485</u>	<u>\$963,510,816</u>
NET PROFIT FOR THE YEAR	<u>\$ 33,258,853</u>	<u>\$ 25,358,546</u>

The provision for depreciation charged to costs and expenses amounted in 1949 to \$14,944,273 and in 1948 to \$12,960,570.

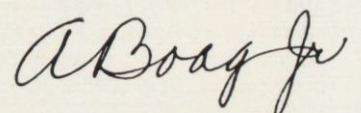
CONSOLIDATED EARNED SURPLUS

Balance at beginning of year	\$102,624,193	\$ 88,571,896
Net profit for the year	33,258,853	25,358,546
Reserves for possible future inventory price declines and other contingencies transferred to earned surplus	15,000,000	None
	<u>\$150,883,046</u>	<u>\$113,930,442</u>
Dividends on common stock—\$2.20 per share in 1949; \$1.80 per share in 1948	13,860,162	11,306,249
Balance at end of year	<u>\$137,022,884</u>	<u>\$102,624,193</u>

(See Notes to Consolidated Financial Statements, page 23)

COMPTROLLER'S CERTIFICATE

The foregoing financial statements have been prepared under my direction from the companies' books kept under my supervision and, to the best of my knowledge and belief, fairly state the consolidated position of National Dairy Products Corporation and domestic subsidiaries as of December 31, 1949 and the consolidated operations for the year ended on that date.



New York, N. Y., March 2, 1950.

Comptroller

NATIONAL DAIRY PRODUCTS CORPORATION AND DOMESTIC SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements . . . December 31, 1949

PRINCIPLES OF CONSOLIDATION

All domestic subsidiary companies have been included in consolidation in the financial statements, except a mutual insurance company and three minor companies in which latter companies a majority but not more than sixty per cent of the voting stock is owned. All foreign subsidiaries have been excluded from consolidation in the financial statements.

The net sales of subsidiaries located in Canada, England, Australia and Argentina aggregated \$32,756,475 for the year 1949 and \$33,398,469 for the year 1948. The Company's equity in the net profits of such subsidiaries for the years 1949 and 1948 was \$1,249,837 and \$716,951, respectively. The amounts shown are stated at the rates of exchange prevailing at the end of the respective years. However, the profits shown for 1949 are before deducting charges aggregating \$1,167,603 resulting from the translation of net current assets of such foreign subsidiaries into terms of U. S. dollars at the rates of exchange prevailing after the currency devaluation which took place in 1949. The Company's equity in the net tangible assets of such foreign subsidiaries amounted to \$11,982,869 at December 31, 1949.

Dividends of \$458,022 in 1949 and \$482,796 in 1948 were received from foreign subsidiaries and credited to profit and loss.

DIVIDEND RESTRICTION

The Indenture and Supplemental Indentures under which the Debentures of the Company are outstanding contain provisions with respect to the payment of dividends on the common stock. Under these provisions

approximately \$73,000,000 of the consolidated earned surplus was restricted at December 31, 1949.

INCENTIVE COMPENSATION PLANS

Under the incentive compensation plans of the subsidiaries, officers and employees received payments amounting to approximately \$1,325,000 for 1949 as compared with \$953,000 for 1948. These plans covered in 1949 a total of 928 key employees, none of whom received more than 1.2% of the total. No officer or employee of the parent company participated in these plans.

EMPLOYEES' SHARE PURCHASE PLAN

300,000 shares of the authorized and unissued common stock of the Company were reserved until May 15, 1954 for sale to officers and other key employees pursuant to the Employees' Share Purchase Plan approved by the stockholders in 1944. Privileges to purchase a total of 224,410 shares in instalments to and including May 15, 1954, at prices ranging from \$21.75 per share to \$42.25 per share, depending upon the dates of the grants of the privileges to purchase, were held by 546 key employees at December 31, 1949. 57,965 shares have been issued under the plan to December 31, 1949 and the proceeds therefrom amounting to \$1,318,921 have been credited to the common stock issued account.

RETIREMENT ANNUITIES

Charges to costs and expenses in 1949 and 1948 with respect to future service retirement annuities amounted to approximately \$973,000 and \$824,000, respectively. The number of participants in the plan was 6,001 at December 31, 1949 and 5,194 at December 31, 1948.

AUDITORS' CERTIFICATE

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF
NATIONAL DAIRY PRODUCTS CORPORATION:

We have examined the consolidated balance sheet of National Dairy Products Corporation (a Delaware corporation) and domestic subsidiary companies as of December 31, 1949 and the related statements of consolidated profit and loss and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We made a similar examination for the year 1948.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated profit and loss and earned surplus present fairly the financial position of National Dairy Products Corporation and domestic subsidiary companies consolidated as of December 31, 1949 and the results of their operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

New York, N.Y., March 2, 1950.

Arthur Andersen & Co.

NATIONAL DAIRY PRODUCTS CORPORATION AND DOMESTIC SUBSIDIARY COMPANIES

Condensed Ten-Year Statement of Consolidated Assets and Liabilities

(All amounts are expressed in thousands)

	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940
WORKING CAPITAL										
CURRENT ASSETS										
Cash and marketable securities	\$ 53,593	\$ 45,690	\$ 30,614	\$ 26,862	\$ 56,295	\$ 45,346	\$ 29,767	\$ 17,028	\$ 15,016	\$ 16,916
Notes & accounts receivable (net)	32,825	36,893	36,462	30,754	21,600	23,581	22,873	23,828	26,807	17,592
Inventories	80,124	89,712	86,168	86,766	46,463	44,872	52,252	50,410	55,338	33,798
Total Current Assets	\$166,542	\$172,295	\$153,244	\$144,382	\$124,358	\$113,799	\$104,892	\$ 91,266	\$ 97,161	\$ 68,306
CURRENT LIABILITIES										
Bank loans	\$ 0	\$ 0	\$ 7,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,757	\$ 13,475	\$ 0
Serial Debentures	0	0	0	0	0	1,500	1,500	1,500	1,500	1,500
Accounts payable and accruals	42,477	40,093	40,516	43,438	33,884	28,388	26,798	23,317	22,859	17,888
Provision for Federal income tax	22,150	16,200	15,000	20,500	28,425	33,080	29,000	18,500	9,676	4,580
Less—U. S. Treasury Notes	(22,150)	0	0	(17,461)	(28,425)	(33,080)	(29,000)	(18,500)	0	0
Total Current Liabilities	\$ 42,477	\$ 56,293	\$ 63,016	\$ 46,477	\$ 33,884	\$ 29,888	\$ 28,298	\$ 26,574	\$ 47,510	\$ 23,968
Working Capital	\$124,065	\$116,002	\$ 90,228	\$ 97,905	\$ 90,474	\$ 83,911	\$ 76,594	\$ 64,692	\$ 49,651	\$ 44,338
PROPERTY, PLANT AND EQUIPMENT (Net)										
	146,132	134,316	115,138	94,873	81,693	84,974	92,188	97,387	100,575	94,962
INVESTMENTS, OTHER ASSETS AND PREPAID ITEMS										
	10,929	11,031	8,561	8,482	7,999	9,240	8,818	9,883	11,394	12,530
Total	\$281,126	\$261,349	\$213,927	\$201,260	\$180,166	\$178,125	\$177,600	\$171,962	\$161,620	\$151,830
LONG-TERM DEBT										
	\$ 80,500	\$ 81,500	\$ 49,000	\$ 49,500	\$ 50,000	\$ 51,700	\$ 58,800	\$ 64,416	\$ 66,450	\$ 68,500
MINORITY INTEREST	327	319	340	337	303	345	321	298	350	336
RESERVES	10,691	25,001	24,238	23,165	16,998	17,617	16,654	12,216	7,601	2,998
Total	\$ 91,518	\$106,820	\$ 73,578	\$ 73,002	\$ 67,301	\$ 69,662	\$ 75,775	\$ 76,930	\$ 74,401	\$ 71,834
Book Value of Common Stock	\$189,608	\$154,529	\$140,349	\$128,258	\$112,865	\$108,463	\$101,825	\$ 95,032	\$ 87,219	\$ 79,996

NATIONAL DAIRY PRODUCTS CORPORATION AND DOMESTIC SUBSIDIARY COMPANIES

Condensed Ten-Year Statement of Consolidated Profit and Loss (All amounts are expressed in thousands, except per share and other statistics)

	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940
INCOME:										
Net sales	\$897,675	\$986,494	\$897,324	\$742,409	\$632,769	\$593,853	\$580,173	\$562,451	\$431,049	\$347,410
Other income	2,445	2,465	2,438	2,023	2,424	1,718	1,311	1,306	1,249	935
Total income	\$900,120	\$988,869	\$899,762	\$744,432	\$635,193	\$595,571	\$581,484	\$563,757	\$432,298	\$348,345
INCOME DEDUCTIONS:										
Cost of products	\$668,051	\$779,298	\$708,069	\$563,754	\$476,066	\$441,609	\$436,739	\$425,808	\$310,274	\$239,090
Delivery expense	95,187	94,001	87,526	75,217	63,704	58,466	56,991	57,111	53,321	52,189
Selling expense	48,945	46,549	40,908	32,104	26,801	24,175	22,786	26,430	26,598	25,922
General and administrative expense	28,729	26,373	23,464	20,794	18,750	18,893	16,931	15,822	14,151	12,918
Miscellaneous	1,568	(767)	278	236	5,664	4,311	1,567	2,008	1,091	965
Interest on long-term debt	2,231	1,857	1,358	1,383	1,669	1,799	1,921	1,956	1,978	2,104
Provision for Federal income tax	22,150	16,200	15,000	20,500	28,425	33,000	29,000	18,500	8,950	4,063
Total income deductions	\$866,861	\$963,511	\$876,603	\$713,988	\$621,079	\$582,253	\$565,935	\$547,635	\$416,363	\$337,251
Net profit for the year	\$33,259	\$25,358	\$23,159	\$30,444	\$14,114	\$13,318	\$15,549	\$16,122	\$15,935	\$11,094
Appropriated to reserve for possible future inventory price declines and other contingencies	0	0	0	5,000*	0	0	2,500*	3,900*	3,600*	0
Balance transferred to earned surplus	\$33,259	\$25,358	\$23,159	\$25,444	\$14,114	\$13,318	\$13,049	\$12,222	\$12,335	\$11,094
PAYMENTS:										
Dividends	\$13,860	\$11,306	\$11,295	\$10,334	\$8,757	\$6,881	\$6,255	\$5,004	\$5,004	\$5,695**
Payroll	156,888	152,574	141,372	122,408	102,532	94,648	88,632	83,136	72,992	68,098
Taxes	32,110	23,824	21,963	26,723	34,651	40,644	36,099	25,453	15,696	9,984
PER SHARE OF COMMON STOCK:										
Earnings transferred to earned surplus	\$5.26	\$4.03	\$3.68	\$4.05	\$2.25	\$2.12	\$2.08	\$1.95	\$1.97	\$1.66
Dividends	2.20	1.80	1.80	1.65	1.40	1.10	1.00	.80	.80	.80
Taxes	5.08	3.79	3.50	4.26	5.54	6.50	5.77	4.07	2.51	1.60
OTHER STATISTICS:										
Number of—										
Common Stockholders	66,764	67,656	67,256	67,308	67,347	66,636	66,889	68,798	68,820	69,264
Employees	43,615	44,702	44,785	41,799	37,933	36,698	36,281	38,126	36,697	35,565

NOTES: * The aggregate of these amounts was transferred to earned surplus in 1949. ** Includes \$691 of preferred stock dividends.

NATIONAL DAIRY PRODUCTS CORPORATION

BOARD OF DIRECTORS

Directors whose names are marked with an asterisk are associated with organizations that are not subsidiaries of National Dairy.

F. J. BAHL, President,
MATTHEWS-FRECHTLING DAIRY COMPANY
Cincinnati

EDGAR N. BRAWNER, President,
CHESTNUT FARMS-CHEVY CHASE DAIRY COMPANY
Washington, D. C.

***HENRY W. BREYER, Jr.,**
President, BREYER CORPORATION; Real Estate
Philadelphia

***HON. JAMES BRUCE,**
Special Assistant to Secretary of State,
Washington, D. C.

***PAUL C. CABOT,**
President, STATE STREET INVESTMENT CORPORATION
Boston

***JOSEPH GILFILLAN**
Partner, GILFILLAN, GILPIN & BREHMAN
Philadelphia

**ROBERT S. GORDON, Vice-President
& General Counsel,**
NATIONAL DAIRY PRODUCTS CORPORATION

BENJAMIN S. HALSEY, Vice-President,
SHEFFIELD FARMS COMPANY, INC.
New York

VERNON F. HOVEY, President,
GENERAL ICE CREAM CORPORATION, Schenectady
Vice-President,
NATIONAL DAIRY PRODUCTS CORPORATION

JOHN H. KRAFT, President,
KRAFT FOODS COMPANY, Chicago
Vice-President,
NATIONAL DAIRY PRODUCTS CORPORATION

ELMER J. MATHER, Vice-President,
NATIONAL DAIRY PRODUCTS CORPORATION
Chairman of the Board,
SOUTHERN DAIRIES, INC., Washington, D. C.

THOS. H. MCINNERNEY, Chairman of the Board,
NATIONAL DAIRY PRODUCTS CORPORATION

PAUL P. MILLER, Executive Vice-President,
GENERAL ICE CREAM CORPORATION
Schenectady

G. C. POUND, Executive Vice-President,
KRAFT FOODS COMPANY
Chicago

GEO. H. RUTHERFORD, Vice-President,
NATIONAL DAIRY PRODUCTS CORPORATION

**E. E. STEWART, Vice-President &
Chairman of the Operating Committee,**
NATIONAL DAIRY PRODUCTS CORPORATION

**L. A. VAN BOMEL, President &
Chairman of the Executive Committee,**
NATIONAL DAIRY PRODUCTS CORPORATION

***HENRY C. VON ELM,**
Chairman, Board of Directors,
MANUFACTURERS TRUST COMPANY, New York

***SIDNEY J. WEINBERG,**
Partner, GOLDMAN, SACHS & CO.
New York

RAYMOND J. WISE, President,
SHEFFIELD FARMS COMPANY, INC., New York
Vice-President, NATIONAL DAIRY PRODUCTS CORPORATION

Among directors who recently inspected the new Kraft Laboratories were (left to right): Vernon F. Hovey; President L. A. Van Bomel; John H. Kraft; Dr. M. J. Hall, who conducted the tour; Paul C. Cabot and Sidney J. Weinberg.



NATIONAL DAIRY PRODUCTS CORPORATION

EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS

L. A. VAN BOMEL, *Chairman*

PAUL C. CABOT
JOSEPH GILFILLAN

VERNON F. HOVEY
JOHN H. KRAFT

ELMER J. MATHER
THOS. H. MCINNERNEY

E. E. STEWART
HENRY C. VON ELM

SIDNEY J. WEINBERG

OFFICERS

L. A. VAN BOMEL
President

THOS. H. MCINNERNEY
Chairman of the Board

E. E. STEWART Vice-President
ROBERT S. GORDON . . . Vice-Pres. & Gen. Counsel
VERNON F. HOVEY Vice-President
JOHN H. KRAFT Vice-President
ELMER J. MATHER Vice-President
GEO. H. RUTHERFORD Vice-President

RAYMOND J. WISE Vice-President
A. BOAG, JR. Comptroller
A. S. ARONSON Treasurer
REED HARTEL Secretary
H. L. MAURHOFF Asst. Treasurer
ELIZABETH H. DREHER Asst. Secretary

EXECUTIVE MANAGEMENT STAFF

L. A. VAN BOMEL, *Chairman*
President, NATIONAL DAIRY PRODUCTS CORPORATION

E. E. STEWART,
Vice-President & Chairman, Operating Committee
GEO. H. RUTHERFORD,
Vice-President for Finance
ROBERT S. GORDON,
Vice-President & General Counsel
COL. EDWARD F. BROWN,
Assistant to the President and
Director of Public & Stockholder Relations

A. BOAG, JR.,
Comptroller
A. S. ARONSON,
Treasurer
GLENN GUNDELL,
Director of Advertising & Sales Promotion
DR. LAUREN B. HITCHCOCK,
Director of Research & Development

OPERATING COMMITTEE

E. E. STEWART, *Chairman*

EDGAR N. BRAWNER
CHRISTIE E. CUDDEBACK
A. J. DREUX
FRANK W. EDWARDS

C. E. FRISHMUTH
VERNON F. HOVEY
HAROLD H. KENDALL
JOHN H. KRAFT

DAN LEWIS
GEORGE C. MAHLE
ELMER J. MATHER
THOS. H. MCINNERNEY

GEO. H. RUTHERFORD
CLYDE H. SHAFFER
L. A. VAN BOMEL
J. HUBER WETENHALL

RAYMOND J. WISE

Members of this committee are executives of National Dairy Products Corporation or subsidiary companies and are appointed by the Board of Directors.

Transfer Agent
MANUFACTURERS TRUST COMPANY
New York, N. Y.
SULLIVAN & CROMWELL, Counsel

Registrar
THE CHASE NATIONAL BANK OF THE
CITY OF NEW YORK, New York, N. Y.
ARTHUR ANDERSEN & Co., Auditors

NATIONAL DAIRY PRODUCTS CORPORATION

230 PARK AVENUE • NEW YORK 17, N. Y.

PRINCIPAL SUBSIDIARIES

AKRON PURE MILK Co., Akron, O.

BELLE VERNON MILK Co., Cleveland, O.
BREAKSTONE BROS., INC., New York, N. Y.
BREYER ICE CREAM Co., Philadelphia, Pa.

CASTLES ICE CREAM Co., Garfield, N. J.
CHAPMAN DAIRY Co., Kansas City, Mo.
CHESTNUT FARMS-CHEVY CHASE DAIRY Co.,
Washington, D. C.
CLOVER DAIRY Co., Wilmington, Del.
CLOVER FARM DAIRY Co., Memphis, Tenn.
CLOVERLEAF CREAMERIES, INC., Huntington, Ind.
CONSOLIDATED DAIRY PRODUCTS Co., INC.,
Long Island City, N. Y.
CONSOLIDATED PRODUCTS Co., Danville, Ill.
CONSUMERS DAIRY Co., Union City, N. J.

DEERFOOT FARMS Co., Southboro, Mass.
DETROIT CREAMERY Co., Detroit, Mich.
DODDS ALDERNEY DAIRY, INC., Buffalo, N. Y.

EBLING CREAMERY Co., Detroit, Mich.
ERIE COUNTY MILK ASSOCIATION, Erie, Pa.
EWING-VON ALLMEN DAIRY Co., Louisville, Ky.

FRANKLIN ICE CREAM Co., Kansas City, Mo.
FRECHTLING DAIRY Co., Cincinnati, O.

GENERAL ICE CREAM CORP., Schenectady, N. Y.

HARDING Co., Omaha, Neb.
HILAND DAIRY Co., Newport, Ky.
HYDROX CORP., Chicago, Ill.
HYDROX ICE CREAM Co., INC., Long Island City, N. Y.

KRAFT FOODS Co., Chicago, Ill.
ALIMENTOS KRAFT ARGENTINA, S.A.C.I.,
Buenos Aires, Argentina
N. V. KAASHANDEL BETZ & JAY, Rotterdam, Holland
KRAFT CHEESE Co. LIMITED, Hayes, England
KRAFT DAIRIES LIMITED, Hayes, England
KRAFT FOODS Co. OF WISCONSIN, Chicago, Ill.
KRAFT FOODS LIMITED, Outremont, Quebec, Canada

KRAFT KASE-WERKE, G.m.b.H.,
Lindenberg, Bavaria, Germany
KRAFT WALKER CHEESE Co. PROPRIETARY LTD.,
Melbourne, Australia
PHENIX PABST-ETT Co., Chicago, Ill.

LUICK DAIRY Co., Milwaukee, Wis.
LUICK ICE CREAM Co., Milwaukee, Wis.

MARTIN DAIRY PRODUCTS Co., Martin, Tenn.
MARVADEL ICE CREAM Co., INC., Salisbury, Md.
MATTHEWS-FRECHTLING DAIRY Co., Cincinnati, O.
MERCHANTS COLD STORAGE Co., Cincinnati, O.
MULLER DAIRIES, INC., New York, N. Y.

NASHVILLE PURE MILK Co., Nashville, Tenn.
NATIONAL CREAMERY Co., Somerville, Mass.
NATIONAL DAIRY PRODUCTS Co., INC., Chicago, Ill.
NATIONAL DAIRY PRODUCTS CORP. OF CANADA, LIMITED,
Toronto, Canada
NATIONAL DAIRY RESEARCH LABORATORIES, INC., Oakdale, N. Y.

OHIO CLOVER LEAF DAIRY Co., Toledo, O.
OVSON EGG Co., Chicago, Ill.

RIECK-McJUNKIN DAIRY Co., Pittsburgh, Pa.
J. D. ROSZELL Co., Peoria, Ill.

ST. LOUIS DAIRY Co., St. Louis, Mo.
SANITARY MILK Co., Canton, O.
SHEFFIELD FARMS Co., INC., New York, N. Y.
SOUTHERN DAIRIES, INC., Washington, D. C.
SUGAR CREEK CREAMERY Co., Danville, Ill.
SUPPLEE-WILLS-JONES MILK Co., Philadelphia, Pa.

TELLING ICE CREAM Co., Cleveland, O.
TRI-STATE BUTTER Co., Cincinnati, O.

UNION ICE CREAM Co., Nashville, Tenn.

WESTERN MARYLAND DAIRY, INC., Baltimore, Md.
WISCONSIN CREAMERIES, INC., Milwaukee, Wis.

YOUNGSTOWN SANITARY MILK Co., Youngstown, O.

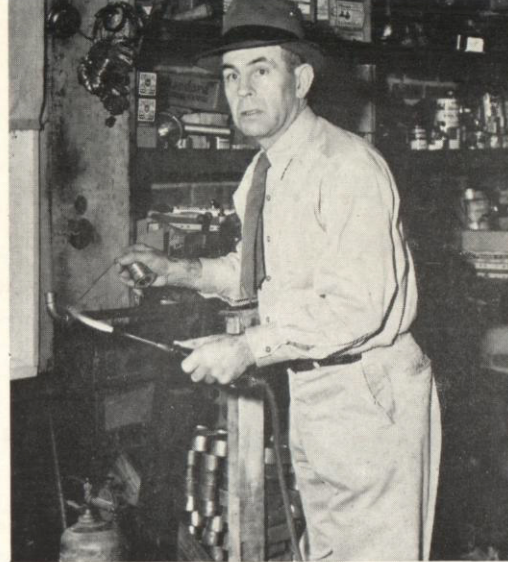
Mfd. in U.S.A.



PRODUCERS: Joseph M. Cooper (right) and son, Johnson Cooper, Elmer, N. J.



EMPLOYEE: Jim Whittaker, Tulare, Calif., inspects a vat of cottage cheese.



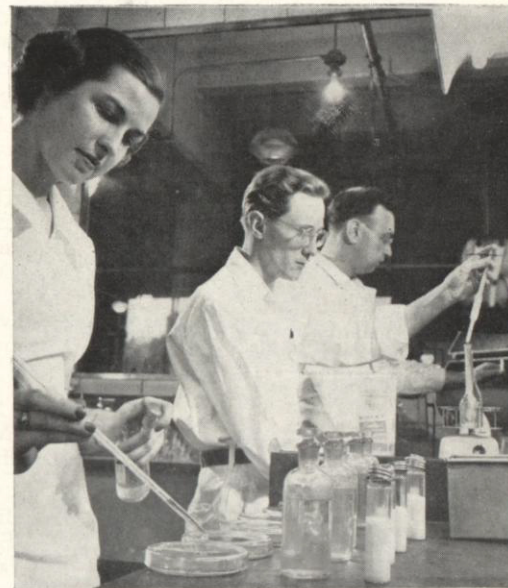
STOCKHOLDER: Charles Doherty is a plumber in Baltimore, Md.



PRODUCER: J. M. Bowden, Jr., at work on the Bowden farm, Advance, N. C.



STOCKHOLDER: Claire Greenberg, school-girl, with mother, Newburgh, N. Y.



EMPLOYEES: Alice Shearson, Wm. Yannell and Joseph Gilbert, Pittsburgh, Pa.



STOCKHOLDER: H. A. Waterworth, investment counselor, Philadelphia, Pa.



CONSUMERS: Mrs. J. W. Cox, Jr., and son, J. W. Cox, 3rd, Cleveland, Ohio.



PRODUCER: Lester Thomas (left) and Milk Hauler Carl Fortner, Butler, Mo.

